



OFFICE OF MAYOR VIRG BERNERO
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LANSING, MI 48933

Mayor Virg Bernero's
2015 State of the City Address

“Lansing 3.0”

Lansing Community College Gannon Commons
January 29, 2015

Good evening and welcome to the new Gannon Commons at Lansing Community College. Isn't it beautiful?

My heartfelt thanks to LCC President Brent Knight for hosting us tonight in this flagship facility that will serve the needs of students for many years to come. Dr. Knight has done a masterful job of polishing this gem we call Lansing Community College. Congratulations to you and the LCC Board.

President Quinney, Vice President Houghton and members of the City Council, I look forward to your partnership in the years ahead. Please stand to be recognized for your service.

I'm blessed to have the First Lady and our amazing daughters in my life. Teri, Kelly and Virginia are my rock and my inspiration. Happy Birthday Angel!

And I'm delighted to say that my father, Giuilio Bernero, is here with us tonight – and going strong at 89 years old.

Ladies and gentlemen, friends and colleagues, citizens of Lansing, for the tenth time I stand before you to report on the state of our city. I do so with deep gratitude for the privilege of serving the people of this great community.

Make no mistake, as we begin our tenth year together, the state of our city – and the Lansing Metro – is strong and getting stronger. The momentum of our economic recovery continues to build and our future prospects have rarely looked brighter.

Unemployment in the Lansing Metro has dropped from a high of 12.1% at the height of the Great Recession to just 4.1%. It's the lowest rate we've seen in more than a dozen years.

Home values are up 12% since last year, and up nearly 25% since hitting bottom in 2012. Home sales are up 17%, and foreclosures are down 23%. That's good news for Lansing families.

With the Spartans and Wolverines playing basketball this weekend, I also thought I'd mention that Metro Lansing is out-performing Ann Arbor in economic growth. The latest reports on annual GDP -- Gross Domestic Product -- say that ours grew 3 times faster than theirs.

Who knew? Go Green!

After a decade of deficits, our city budget has stabilized, and our rainy day fund is growing instead of shrinking. We've still got challenges ahead to meet our long-term liabilities, but I'm confident we'll find solutions with the help of our Financial Health Team and partners in labor.

Business growth and job creation continue to pick up steam as investor confidence grows. Nowhere is this more evident than in the continued success of our hometown car company, General Motors.

Cranes are in the air at Lansing Grand River and new construction is well underway at Lansing Delta. GM is investing another \$280 million to make our assembly plants the most advanced auto production platforms on the planet. And the legendary Chevy Camaro will be here soon, along with thousands of supply chain and spinoff jobs across the Lansing Metro.

With our world-class UAW workforce, we still make the products that make America great.

While GM is building great vehicles, we're hard at work building the PLACES that will make metro Lansing even greater. With the help of the Lansing Economic Area Partnership – LEAP – led by Bob Trezise, the Wizard of Jobs, we've seen more than \$1.5 billion in new private investment in Lansing over the last nine years.

Bob, is it fair to say that we're just getting started? That's what I thought.

The Red Cedar Renaissance is finally ready for liftoff, led by our partners Joel Ferguson and Frank Kass, and it's already having a synergistic impact on the Michigan Avenue Corridor. Soon we'll have even more good news to share as we continue building the foundation for a vibrant new Michigan Avenue between the State Capitol and the MSU campus.

At Cooley Law School Stadium, our twenty-year-old ballpark is getting a much-needed modernization, thanks to our tremendous partnership with Lugnuts owner Tom Dickson.

On top of that -- literally, ON TOP OF THAT -- Pat Gillespie and his team are building new apartments overlooking the ball field. It's called The Outfield, and in the baseball world, it's the talk of the nation. Sure looks like it's going to be a home run!

Across the street, the Marketplace apartments are filling up with young professionals. Down the road on Michigan Avenue, the new Midtown apartments and commercial space are 100 percent leased.

The Gillespie Group built them all. Pat Gillespie, will you please stand and be recognized for your extraordinary contributions to building Lansing's future?

In 2014 we joined the Eyde family in reopening the historic Knapp's Centre in downtown Lansing. The Eyde's renovation restored the majesty of Knapp's, and now they've set their sights on the derelict Oliver Towers building, and more property on Washington Square. I can't wait to see the results.

But even more job-creating, tax-base strengthening projects will come to life in the year ahead:

- The Michigan Association of Broadcasters new headquarters and residential project at Ottawa and Butler.
- The Metro Place residential project at the old downtown YMCA.
- The expansion of Neogen Corporation into the old Estes Furniture building.
- Continued growth at Emergent Biosolutions.
- Sparrow Health System's \$64 million expansion at the former Bingham Elementary School.
- Niowave's \$79 million medical isotope production facility at the airport.
- And, at MSU, the long-awaited FRIB particle accelerator.

Add the awesome research power of FRIB, to the commercialization of new technology by Niowave and future spinoffs, and what do you get? Lansing, Michigan – Accelerator Capital of the World!

These projects and many others are helping us transform the landscape of the Lansing Metro, attracting new residents, diversifying our economy and putting people to work.

As we celebrate our success, we must be mindful that no one be left behind. One of my Cabinet members works her fingers to the bone to make sure that the hungry are fed and the homeless are housed. Dr. Joan Jackson Johnson – Triple J to us, “Saint Joan” to many – manages our Mobile Food Pantry, our homeless assistance programs and much more. Joan, please stand for a well-deserved round of applause.

We have so much to be proud of, including our compassion for the less fortunate. But to keep growing and adapting, we must have a vision for what comes next, a strategic framework for making our city globally competitive, smart and sustainable, healthy, resilient and inclusive, and a powerful magnet for young talent, entrepreneurs, innovators and immigrants.

That framework is what I call **Lansing 3.0** – the next Lansing.

What will Lansing 3.0 look like? If we do nothing, it will look a lot like it does today.

But if we embrace the economic, social and technology transformation happening all around us, I have no doubt we'll become one of the great Midwestern capital cities – and a 3.0 city.

We've come a long way since our founding, in the geographic center of the state, on the banks of the Grand River. That was Lansing 1.0 – when pioneers carved a new city out of the wilderness and made it a hub of commerce and the seat of state government.

Lansing 2.0 was built on cars and modern industrial production. People like R.E. Olds forged Lansing's future out of steel and rubber and an assembly line that created the most prosperous middle class this nation has seen before or since.

Lansing 3.0 is built on the technology revolution that continues to transform the daily lives of our citizens and businesses, our city government, and the connections between them.

But it isn't just about technology. It's about reshaping our city physically – what economic gurus call "placemaking." As one observer notes:

"It is the urge to both live and work in the dynamic environment of a city, more than technology itself, that will drive the creation of Cities 3.0. Where civic leaders understand this and harness technology to enable it we will find remarkable cities that are great places to work, live and play."

We're going to make that happen, right here in Lansing.

We'll start by making Lansing a smarter city, where the doors to an excellent education are open to every citizen, from our children to older workers looking to develop a new skill.

Two weeks ago we launched an exciting new initiative called Lansing SAVE - Student Accounts Valuing Education. With our terrific partners at the Lansing School District and MSU Federal Credit Union, 365 very excited Lansing kindergartners were the first recipients of a free education savings account. In the years to come, every kindergartner will get an account, and MSU Credit Union is putting the first five dollars in each one.

Lansing School Superintendent Yvonne Caamal Canul is our partner on Lansing SAVE, and she just won Michigan Superintendent of the Year. She's definitely a superstar, and her leadership on SAVE is just one more example.

Our City Treasurer, Amy Kraus, has been a driving force behind Lansing SAVE, and Jayme King is our new program manager. Amy and Jayme, keep up the great work.

There's more. Lansing SAVE and educators will work together to teach youngsters about financial literacy, and parents will be connected to the resources of our Financial Empowerment Center. Lansing's FEC has already provided over 5,000 free financial counseling sessions, reducing clients' debt by \$2.4 million and increasing savings by \$171 thousand.

It's making a real difference, and it's very much a part of Lansing 3.0. When families are financially stable, our economy is stronger. If you or someone you know needs free financial counseling, please call 2-1-1.

Lansing SAVE complements our HOPE and Promise scholarships that provide two years of tuition to LCC. HOPE, Promise and SAVE are the three pillars of our efforts to put a college education within reach of every student and they are worthy of your financial support.

Keep in mind, the Lansing Kewadin casino would fully fund the Lansing Promise, and that will transform our school system and our city, as it has in Kalamazoo. Stay tuned for exciting news on that front very soon.

A 3.0 city is one with smart infrastructure, including state-of-the-art connectivity. High-speed broadband and wireless are core capabilities of a 3.0 city and we are incredibly fortunate to have entrepreneurs stepping up to the plate to make it happen.

Jason Schreiber, CEO of Lightspeed, is bringing 1 Gig fiber optic Internet directly to homes across the Lansing Metro. And Kevin Schoen, CEO of ACD.net, is bringing gigabit fiber to businesses and using it to power a blazing fast wireless network in our downtown.

It's 100 times faster than cable Internet, and we've only just begun to tap the incredible potential for using such extraordinary bandwidth. It's a key ingredient for some of the most innovative new businesses on the planet, and Lansing is getting wired to support them and help them grow.

A connected, 3.0 city is a magnet for talent, which in turn is a magnet for new investment. Business today follows the talent, and so do jobs. That's why we focus on the elements of city development that directly influence the choices young, college-educated people make when they decide where to live, work and raise a family.

My friends, Lansing has to grow. We won't thrive if we are standing still. Our decades-long population loss has slowed to a trickle, but now we have to shift into high gear and start moving the needle in the right direction. To make that happen, Lansing has to be a place where our children and grandchildren want to put down their roots, and where new immigrants from around the world feel welcome to come.

That's why we have to keep working to strengthen our neighborhoods. This year, in partnership with the Ingham County Land Bank, we'll invest 6 million dollars to demolish 250 more substandard houses – eliminating blight, raising property values, and improving quality of life in our neighborhoods.

We've also hired a dynamic new neighborhood coordinator, who is already bringing people together to make our neighborhoods the best they can be. Andrea Crawford is her name, and she's someone you ought to know. Andi, please stand and take a bow.

Improving existing neighborhoods is part of the equation for attracting and retaining young talent. So is developing new housing options that appeal to young professionals, and building a vibrant entertainment district in our downtown. So is encouraging entrepreneurship and attracting new economy businesses that will provide the good jobs of the future.

Folks, MSU's enrollment just hit 50,000 students for the first time. When they graduate, they have a choice, and not enough of them are choosing metro Lansing. We aim to turn that around.

Today's young people are looking for an authentic urban experience, connected to the world through smart technologies, with a robust public transit system, where walking and biking is simple and safe.

That's Lansing 3.0. And that's why we must get CATA's Bus Rapid Transit project rolling. BRT will also transform Michigan Avenue, connecting our State Capitol and the MSU campus as never before. The bus is leaving the station and everyone needs to get on board.

Our award-winning River Trail is another key 3.0 asset, and the new, 5.8 mile South Lansing Pathway is a sight to behold. We're going to continue extending the trail, connecting places across the Lansing Metro, thanks to the new county Trails Millage and a great regional partnership between the city and Ingham County.

Brian McGrain, the new chair of the county board, is with us tonight. Brian, thanks for your leadership. We've got more work to do together and I look forward to it.

Like the River Trail, key elements of Lansing 3.0 are already taking shape. We have a robust regional network of business incubators driving innovation and entrepreneurship, including The Runway, LEAP's new fashion and design incubator at the Knapps Centre.

New York fashion industry guru Rebecca Clark offers her new clothing line at The Runway, and her company is literally busting at the seams. By the way, if you're an accomplished sewer, Rebecca's hiring.

Tom Stewart is doing incredible work at the NEO Center, teaching MSU students and other aspiring entrepreneurs how to start and grow a business.

Lansing's Maker Movement is picking up steam, with local tinkerers and inventors designing new products and creating even more new business startups right here.

But we have more work to do to create an education pipeline to fill the jobs of the future and close the skills gap that even today's employers are facing as they look to grow.

ITEC and Impression 5 Science Center are part of the solution. They inspire kids every day to unleash their creativity, learn how to solve problems, and excel in STEM – the key disciplines of science, technology, engineering and math that will dominate the good jobs of the future. ITEC and I5 are making a real difference, and they need your generous financial support to keep growing and reaching even more young minds.

LCC is a key part of the solution. President Knight's nationally recognized job guarantee – “Get a Skill, Get a Job, Or Your Money Back” – is just one example. The Get A Skill program focuses on accelerated training in key areas where skilled workers are in high demand, including computer numerical control, pharmacy technicians and IT. If you don't get a job when you're done, you get your money back. How cool is that?

We're also going to work with LCC to ramp up apprenticeships, partnering with business and labor to prepare the next generation of workers in the skilled trades and other areas.

A 3.0 city is also a healthy city, and my friends, let's be honest: We've got work to do. Obesity and Type 2 diabetes are shortening lives, and costing our health care system billions.

We can do something about it, right here in Lansing, and it's going to start with me. Tonight, I'm launching the "Metro Lansing Loses a Million" weight loss challenge.

In a moment, with the assistance of Sparrow physician Dr. Farhan Bhatti, I'll do what many people fear the most: Step on the scale and record my current weight. You heard me right - I'm going to share my weight with all of Lansing in hopes that you will join me in facing the music.

Folks, it goes on easier than it comes off, but I hope this serves as an inspiration to all of you who want to get healthy, get fit, and drop the extra pounds. Dr. Bhatti, let's do this!

Join me in this initiative and you'll have state-of-the-art online tools to help meet your weight loss goals, by tracking everything from your food and fitness to your glucose and cholesterol.

Lansing Parks and Recreation is ready to help, and so are a host of great sponsors and community partners -- Lettuce Live Well, YMCA, Greater Lansing Sports Authority, Blue Cross Blue Shield, Sparrow Health System, and the Michigan Health and Hospital Association. Join me at metrolansinglosesamillion.com to get started on a healthier you.

A 3.0 city is also an inclusive city, a welcoming city that embraces diversity and celebrates our cultural differences. An inclusive city is a resilient city, where the bonds between us are strong enough to carry us through challenging times. That's why our community's constructive dialogue in the wake of the New York and Ferguson tragedies is so encouraging: it's a sign that we respect each other and work together to keep our community safe.

That's also why we are redoubling our efforts to uplift young people of color to ensure that they, too, enjoy the full benefits of a good education and a good job. I'm incredibly proud of the Mayor's Young Lansing initiative we launched last year, in conjunction with President Obama's My Brother's Keeper initiative.

The President is pretty impressed with our efforts, too. He invited our team to the White House to tout Lansing's success. Bishop David Maxwell is the director of my Office of Community and Faith-based Initiatives, and Angela Austin Waters is director of MY Lansing. Bishop and Angela, congratulations on your national accolades.

Lansing 3.0 is also about adapting to rapid changes in technology in nearly every facet of our lives. One technology in particular has an important role to play in keeping the fabric of our community – and the trust between our citizens and our police officers – strong and resilient. This year we'll deploy a body camera on every police officer in Lansing. Body cameras will protect our officers and provide evidence for the successful prosecution of lawbreakers, in addition to protecting the public.

We're fortunate to have the best-trained, best-equipped first responders in the state, and I am proud to support the professionals who put their own lives on the line to keep us safe.

It is also vitally important that our police department reflects the diversity of our city. If you know a young person interested in a career in law enforcement, please send them to me.

Now, let's talk Board of Water and Light 3.0.

Last year I said the debacle that followed the December ice storm would be fixed. I said we would do what it takes to ensure the BWL will be here to provide reliable, affordable power for another 150 years.

I convened the Community Review Team and asked retired Brigadier General Mike McDaniel to create a roadmap for fixing the BWL's emergency response capabilities. Many of the General's recommendations are in place, and that's good news. Many thanks to General McDaniel.

But the final CRT report noted that it would be difficult, if not impossible, to change the culture of BWL that allowed our hometown power company to be so unprepared for the storm. With my support, the BWL commissioners made a change in leadership because it was necessary to turn the page on the past and ensure that the BWL is ready to lead the way into the future.

Let me assure you: The BWL will not only survive, it will thrive.

With interim General Manager Dick Peffley at the helm, Emergency Operations Manager Trent Atkins, and new CFO Heather Shawa DeCook, our BWL is in good hands. Trent is also leading the effort to create the first-ever regional emergency response plan for the Lansing Metro.

Dick and Trent are here tonight. Will you please stand to be recognized? Thanks for your great work and service to our community.

But we need to go beyond just being prepared for what Mother Nature brings our way. The BWL must also be more accountable to its owners – the City of Lansing – and to ratepayers. The City Charter says the BWL shall be accountable to the Mayor and City Council, but let's be honest -- it hasn't worked very well. The recent controversy at BWL illustrates the point and highlights a serious lack of structural accountability that must be fixed.

Let me tell you three things I'm *not* going to do to fix it. I'm not going to recommend selling it. I'm not going to abolish the BWL Board or make it advisory, and I'm not going to eliminate regional representation. Here's what I will do:

As mayor-elect, even before I took the oath of office, I worked with City Council to abolish costly golden parachutes for all city executives. No one who works for me has ever had more than a one-year contract.

To fix that problem, I propose a charter amendment to limit long-term contracts and prohibit excessive severance payments at all city agencies, including the BWL. But that addresses just one symptom of a deeper structural problem, so I will propose a second charter amendment to strengthen the BWL's accountability to the City of Lansing.

My amendment creates a new position called Inspector General, who has broad authority to monitor and report on the BWL, to help safeguard one of our greatest assets.

The Inspector General will be a member of the mayor's executive team, appointed by the mayor with advice and consent of the City Council, and directly accountable to both. The Inspector General will have unfettered access to BWL documents, meetings, files and physical properties. He or she will be empowered to conduct performance audits as needed.

A third charter amendment will clarify the relationship between the BWL legal counsel and the Lansing City Attorney to provide a clear chain of command and accountability.

I will soon submit these three amendments to the City Council to place them on the ballot for a vote of the people of Lansing.

There will be a robust debate about my proposals, and I welcome it. In the end, though, these are issues that must be decided by the people of this city – the shareholders of the Board of Water and Light.

One definition of insanity is doing the same things the same way and expecting different results. It's time to change the recipe and bake in some real accountability for one of our most valuable assets.

Over the past nine years we've accomplished so much together, but it's time to raise the bar once again on our expectations.

We have to set our sights on more than just being good. To be a 3.0 city, we have to be great, because our competition isn't just down the road in Ann Arbor or Grand Rapids, it's in cities across the nation and around the world.

My friends, we've traveled a long road together over the past nine years. Through it all, Lansing, and you who call it home, have demonstrated extraordinary resilience, ingenuity, courage and caring for one another.

As we move boldly and decisively into the next Lansing – Lansing 3.0 – I promise to keep dreaming big dreams for Lansing. I know you will, too. Together, we have proven there is nothing we can't do. So let us begin.

Good night. God Bless you, and God Bless Lansing!

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